

### **REMARKS**

Claims 17-23, 25-40, 42-64, and 66-205 are now pending and stand rejected. Applicant is submitting a Request for Continued Consideration (RCE) with this Preliminary Amendment. By this Preliminary Amendment, Applicant has amended the claims and demonstrates reasons why the claims pending here are distinct from the asserted art. In particular, claims 7, 29, 31, 33, 35, 36, 38, 59, 72, 77, 79, 81, 83, 84, 112, 121, 159, and 167 are amended. In view of the amendments and the arguments below, Applicant respectfully requests the Examiner to reconsider all the outstanding rejections and to withdraw them.

#### ***35 U.S.C. § 112 Rejections***

In paragraph 2 of the office action, the Examiner maintains the rejections of claims 72, 121, 123, and 167 under 35 U.S.C. §112, first paragraph, as failing to comply with the written description requirement. The Examiner again indicates that the claims contain “subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventors, at the time the application was filed, had possession of the claimed invention.” Specifically, the Examiner indicates that claims 72 and 167 recite the area of interest as being a maximum amount that the interest buyers will pay, based upon which a vendor is selected (parent claims 77 and 159). Claims 121 and 123 recite isolating potential buyers based on price. However, the specification does not describe such isolating of a vendor using either maximum purchase amount or price. On page 3 of the office action, the Examiner contends that the request form is transmitted to vendors who are authorized to sell the designated merchandise, as identified by the merchandise code on the request form. The Examiner finds that “there is no description of the control system isolating or communicating with vendors based on the maximum purchase amount or price.” The Examiner asserts that:

the control system does utilize the data on the request form including the price that the buyers do not wish to exceed (‘Under \$2.00 net cost’) to determine appropriate vendors for communication with the buyer transmitting that request.” The examiner disagrees. On page 18, lines 2-10, applicant’s specification describes regulating communication using merchandise codes, not maximum purchase amount or price. A request form is transmitted to all authorized vendors, as

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identified by the merchandise code on the request form, not the maximum purchase amount or price. It is the vendors, not the control system, who decide whether or not to respond to a request based on the maximum purchase amount indicated. Applicant's specification only provides for isolating vendors by merchandise code. There is no description of the control system isolating or communicating with vendors based on maximum purchase amount or price.

The request form as shown in Figure 9 is indicated below. It carries the merchandise code as well as other specifics (including the price that cannot be exceeded) on the same request that is circulated via the control system to vendors that are deemed eligible by the control system.

*EXEMPLARY BUYER REQUEST FORM*

Date <u>12-7-93</u> Time <u>8:45 am PST</u> Buyer Co. <u>Food 4 Less</u> Specific Buyer <u>Larry Lhill</u>
Video Unit <u>714 668 5335</u> Your Reference # <u>5127</u> <i>MERCHANDISE 472361</i> <i>CODE</i>
General Category <u>Basic Health and Beauty Aids</u> Specific Category <u>Shampoo &amp; Conditioners</u>
<i>SUBMIT PRESENTATION</i>
Request Specifics Conditioning Shampoo for the U.S. Market Papaya based 12 oz. bottle Under \$2.00 net cost Must be available delivered to Pullerton, CA by 12-18-93, 8:00 am PST Minimum 10,000 units Date/Time offers required by <u>12-7-93, 3:00 pm (PST)</u>

*FIG. 9*

The specification, at page 43, lines 4-23, indicates the following:

Another possibility involves type "C" calls, whereby a buyer distributes a request for proposal. Again, various communications may be accomplished to a select group or sub-group of vendors based on merchandise codes. To consider a specific form of communication in accordance herewith, after qualification, a buyer might use video communication to notify vendors with a graphic such as one illustrated in FIGURE 9. FIGURE 9 illustrates an exemplary buyer request form providing specific information of

the merchandise. Blank forms may be stored in a forms directory (e.g. menu-driven) or the like on each buyers terminal. Thus, when making a request for proposals, a buyer may simply access a blank form and enter the specific information. Essentially, a merchandise code number "472361" is supplied, indicating the specific product as also identified in the graphic. After the notice has been sent to vendors, a message as represented in FIGURE 10 may be transmitted to the buyer from the central traffic control system TIS. Note that a check digit may be supplied. Likewise, vendors may access blank forms, similar to the exemplary buyer request forms, to indicate special offerings. (emphasis by underlining added)

The control system isolates eligible vendors and routes the request to them and further provides a notification to the buyer making the request that advises the buyer of the number of vendors to whom the request was routed. Claims 72, 121, and 167 have been amended to clarify that the price specified that cannot be exceeded must be routed to and complied with by the vendors. The Examiner is respectfully requested to withdraw the 112 rejection of claim 72, 121, 123, and 167 for the reasons urged here. Claim 123 depends on claim 121 and is distinct because it incorporates the amendments to claim 121.

### ***35 U.S.C. § 103 Rejections***

In paragraph 4 of the office action, the Examiner has variously rejected claims 17-23, 25-40, 42-64, and 66-205 under 35 U.S.C. §103(a) as being unpatentable over Shavit et al. (U.S. Patent No. 4,799,156), in view of Lockwood (U.S. Patent No. 5,576,951). The Examiner indicates the following:

[i]n response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re*

*Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, both Shavit and Lockwood are from the same field of endeavor, that is, electronic commercial transactions systems which provide communication between vendors and buyers. In Shavit, a buyer must specify a particular distributor from a plurality of distributors when transmitting a request. Lockwood teaches the advantage of automatically selecting a vendor from a plurality of vendors based on the buyer's area of interest such that it would have been obvious to an artisan of ordinary skill to automate the selection process, as taught by Lockwood, within the system of Shavit, thus, simplifying the selection process for the buyer.

[i]n response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

Applicants respectfully traverse that it would have been obvious to combine the references as the Examiner suggests and urges the Examiner to reconsider the rejections in view of the following reasoning set forth below.

Firstly, for rejections under 35 U.S.C. Section 103, the establishment of a *prima facie* case of obviousness requires that all the claim limitations must be taught or suggested by the prior art. MPEP § 2143.03 The establishment of a *prima facie* case of obviousness requires that the claimed combination cannot change the principle of operation of the primary reference or render the reference inoperable for its intended purpose. MPEP § 2143.03

To resolve the issue of patentability based on obviousness, the Examiner must not only look to the teaching in the asserted references that meets the claimed limitations, but must also

point to the motivation in the asserted references that invites a combination in the event one reference is devoid of a particular teaching. Simply using the benefit of hindsight in combining references is improper. *In re Lee*, 277 F.3d 1338, 1342-45 (Fed. Cir. 2002); *In re Deminski*, 796 F.2d 436, 442 (Fed. Cir. 1986)).

Further, Applicants respectfully submit that obviousness is to be determined from the vantage point of a hypothetical person having ordinary skill in the art to which the patent pertains. See 35 U.S.C. § 103(a). The legal construct also presumes that all prior art references in the field of the invention are available to this hypothetical skilled artisan. *In re Carlson*, 983 F.2d 1032, 1038, 25 USPQ 2d 1207, 1211 (Fed. Cir. 1993).

An examiner may often find every element of a claimed invention in the prior art. “Virtually all [inventions] are combinations of old elements.” *Environmental Designs, Ltd. V. Union Oil Co.*, 713 F.2d 693, 698, 218 USPQ 865, 870 (Fed.Cir. 1983); see also *Richel, Inc. v. Sunspool Corp.*, 714 F.2d 1573, 1579-80, 219 USPQ 8, 12 (Fed.Cir. 1983). If identification of each claimed element in the prior art were sufficient to negate patentability, very few patents would ever issue. Furthermore, rejecting patents solely by finding prior art corollaries for the claimed elements would permit an examiner to use the claimed invention itself as a blueprint for piecing together elements in the prior art to defeat the patentability of the claimed invention. Such an approach would be “an illogical and inappropriate process by which to determine patentability.” *Sensonics, Inc. v. Aerosonic Corp.*, 81 F.3d 1566, 1570, 38 U.S.P.Q.2d 1551, 1554 (Fed.Cir.1996). In other words, the examiner must show reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed

invention, would select the elements from the cited prior art references for combination in the manner claimed.

Applicant respectfully requests the Examiner reconsider the rejections based on the legal reasoning and case law cited here as well as the amendments to the independent claims. The claims are distinct from a combination of Shavit and Lockwood because as the Examiner notes, in “Shavit, a buyer must specify a particular distributor from a plurality of distributors when transmitting a request.” In other words, the distributor is already known to the buyer from the outset. That is not the case with the claims here. The control system determines the vendors to whom the request is routed. The Examiner indicates that Lockwood teaches the advantages of automatically selecting a vendor from a plurality of vendors based on a buyer’s area of interest, therefore, making the selection process in Shavit simpler. There is no selection process in Shavit because the distributor is already known to the buyer. Moreover, there is no teaching of video data in either Shavit nor Lockwood and the claims here specifically require presentations of video data. Accordingly, a combination as the Examiner suggests would not occur to one of ordinary skill in the art. The Examiner is respectfully urged to reconsider the rejection under 103 and to withdraw it.

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Reconsideration is respectfully requested in view of the present form of the claims and the above arguments. The Examiner is invited to telephone the undersigned representative if an interview might expedite allowance of this application.

Respectfully submitted,

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